

ASX Announcement | 29 April 2022

Quarterly Activities Report & Appendix 4C – Period ending 31 March 2022

New deployments, new recurring revenue, and enhanced partnerships validate Linus' platform strategy with significant momentum to expand its Annual Recurring Revenue.

Key Highlights:

- Significant progress in the development of key markets, Sport and Education, with success of existing live deployments leading to new deployments and accelerated pipeline.
- Linus' platform strategy, which includes partners and direct go-to-market activities, secures increased recurring revenues in the March 2022 quarter.
- New commercial models introduced to balance immediate cash flow, create predictable recurring revenue, and realise large usage-based growth potential.
- Linus selected for Amazon Web Services (AWS) Rapid Prototyping Program, aiding the Company's development of another new product on LVS.
- Senior executive team bolstered by new General Manager appointed to lead the recently combined Education and Enterprise units, aiding sales execution strategies in these targeted market segments.
- Capital raising of A\$2 million via placement of new shares subsequent to quarter's end.
- Linus Sports:
 - Partner Swanbay's MatchVision solution launches with Club Brugge KV of the Belgian Pro League and is also being piloted in partnership with the English Football League (EFL) and rights holder IMG.
 - Significant increase and progression of sports pipeline across multiple sports and geographies, directly with partner Swanbay, and via previously announced partnerships with McCormack Advisors and IS Partners.
 - Existing clients Racing.com, the Australian National Basketball League (NBL) and Wolverhampton Wanderers (via Partner Swanbay) see steadily growing user engagement and customer satisfaction.
- Linus Education:
 - Existing university client, the University of Newcastle (UoN) sees deployment accelerate with increased customer satisfaction. Increased invoicing and revenue now being received.
 - Advanced product capabilities were released through the integration of additional AI tools, such as facial recognition and optical character recognition (OCR), enabling new use cases at UoN and enhancing value to other potential university clients.
 - Education pipeline continues to mature with multiple opportunities progressing through the sales cycle.
 - Partnership signed with Instructure for integration with their Canvas learning management system software.
 - Subsequent to quarter end, Linus renews partnership and engagement with LiveTiles, with new solution planning commenced to bring value to joint markets.
- Linus Enterprise:
 - Linus' Whizzard for Business product officially launches onto the Zoom Marketplace.
 - A broad-based Whizzard-for-Zoom marketing campaign starts, delivering insights into customer value propositions, product feedback and a pipeline of sales leads.

Melbourne Australia – 29 April 2022: Linus Technologies Limited (ASX:LNU) (**Company** or **Linus**) is pleased to provide its Quarterly Activities Report and Appendix 4C for the quarter ending 31 March 2022, along with the following financial and operational update.

Linus' platform and partner strategy delivers new Sports revenues

This quarter, Linus continued to successfully market its core platform, Linus Video Services (LVS) and its Linus Sports Suite, gaining further traction in the key Sports segment. Linus' LVS is showing to be a game changer in many areas and sport is no different.

Partner Swanbay.tv have created a unique Sports solution MatchVision with LVS at its core. Matchvision is Swanbay's unique fan engagement solution which is currently live with English Premier League (EPL) club Wolverhampton Wanderers (Wolves) and being evaluated and piloted in a number of football clubs, federations and other Sports.

Swanbay's MatchVision product, with Linus LVS at its core, launched in April with major football team Club Brugge KV, reigning champions of the Belgian Pro League. Club Brugge is a 130-year-old club and one of the premier teams in European football with nearly 250k followers on each of their major social media platforms.

Additionally, MatchVision is now also being piloted in partnership with the English Football League (EFL), and major sports rights owner, IMG. The EFL encompasses three divisions and 72 teams and is followed by more than 500 million fans in 150 countries. This now- live pilot comprises a dedicated demo platform which has already been shared extensively with encouraging usage and positive feedback. Deployment into EFL.com and selected club sites is currently underway.

These new deployments are validating Linus' go-to-market strategy in sports. On the LVS platform, Linus has developed its own products and onboarded its own clients (including Racing.com and the Australian National Basketball League) while simultaneously supporting partners like Swanbay to develop their own solutions and client base. Swanbay's expansion from existing client EPL club Wolverhampton Wanderers (Wolves) to new teams like Club Brugge, and now to large scale leagues like EFL, proves the repeatability of this go to market model. Each additional deployment will only serve to accelerate further growth and recurring revenue in the sports segment.

Linus broadens its sales pipeline through partners and direct engagement

A deeper partnership with Swanbay's MatchVision as a core solution will enhance go-to-market capabilities for both Linus and Swanbay to bring their joint solutions to more regions, sports, leagues and teams. And partnerships with McCormack Advisors and IS Partners have also enhanced the Company's global go-to-market capabilities.

This quarter, Linus' partners have created and progressed multiple sales opportunities spread across several sports including golf, cricket, football, basketball and rugby. This pipeline is not just confined to professional sports – it also extends across other tiers, including collegiate and high school sports, particularly in the US market.

Current opportunities span Australia, UK, Europe, US, and Asia.

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Figure 1: Traction is building in the broad-based Sports segment

Existing direct and partner-led sports clients continue to see increased adoption and satisfaction

Swanbay client, Wolverhampton Wanderers (Wolves) are delighted with the staged launch of MatchVision. Richard Pepper, Head of Digital at Wolves said “We are really pleased with MatchVision. Throughout the season we’ve seen usage and key metrics increasing significantly along with continued innovation in the service. We are now working with Swanbay to maximise promotion of this innovative service through the rest of this season and into the next.”

Swanbay’s MatchVision is receiving industry attention & recognition, having been selected as a finalist for the prestigious 2022 Football Business Awards in the category of Best Use of Technology.

Racing.com continued to show consistent growth throughout the reporting period across each of their solutions that leverage Linius Video Services (LVS). Linius CEO, James Brennan and team actively re-engaged with Racing.com’s new leadership team, who are open to new innovative ideas and plans to progress the digital broadcaster’s virtualised video solutions.

Following the official launch of the Australian National Basketball league (NBL) Fan Channel, Linius has seen solid increases in usage and adoption of the solution throughout the season. Engagement has commenced for strategy planning for new use cases identified in the 2021-2022 season.

Building sales pipeline and partnerships in targeted Education segment

Deployment of Linius’ innovative Whizzard for Education at its first commercial client, the University of Newcastle (UoN), accelerated in the quarter, with deployment of new features and use cases in the current term delivering increased invoicing and revenue. The enhanced product capabilities released through the integration of additional AI tools such as facial recognition and optical character recognition (OCR) has enabled new use cases of Whizzard at UoN extending to Library-located historical news videos, and to other potential universities.

UoN CEO, Anthony Molinia, said: “We are optimistic about the innovation Whizzard can bring to our students, researchers, staff, and community at The University of Newcastle. The advanced search capability based on AI/ML is being leveraged with the deployment of our current use case for historical news videos with our Library team with the rollout progressing well. We look forward to the success of this use case to drive further adoption throughout the University throughout the year.”

The Education pipeline continues to mature with multiple opportunities progressing through the sales cycle.

Our new partnership with Canvas (Instructure) in the quarter has opened the way for upcoming versions of Linius Whizzard to support native integration with this and other leading Learning Management Systems and Video Platforms.

In further education partner developments, Linius and LiveTiles renewed their strategic partnership and commercial agreement subsequent to the end of the quarter for an additional 12 months. Both companies have matured their respective solutions and new leadership has identified that the opportunity to bring these solutions together is stronger than ever. The renewed agreement will accelerate integration and go-to-market plans and bring further expansion opportunities to grow each party's respective businesses in our joint markets, particularly across the education and enterprise sectors. The combined market opportunity is apparent, and both leadership teams have re-committed to the relationship as a result.

Commercial plans are in development to bring value to the joint markets delivered by this partnership arrangement.

Education and Enterprise units combined under newly appointed General Manager

Linius has introduced a new organisation structure aligning the business and staff with customer value, aimed at customer acquisition and satisfaction, and conversion of the existing Education and Enterprise pipeline. Near term, this revamp, which sees the consolidation of these sectors, will enhance the ability of Linius to better capitalise on existing opportunities. Longer term, it should broaden the addressable markets of both these market segments into new areas like the huge US university sector. While hiring has increased, ongoing expense for staff, contractors and consultants has reduced.

Driving this restructure will be Jim Aivaliotis, who joined Linius during the quarter as General Manager, Education and Enterprise. He brings strong channel, partner and sales leadership and extensive experience across government, education and enterprise sectors, including six years in senior management roles at Telstra.

In the Enterprise segment, Linius' Whizzard for Business is now available on the Zoom Marketplace. A marketing campaign was subsequently set in motion to identify the industries, personas, and use cases with the most potential for this solution. Leads are currently being identified and managed through the sales pipeline under the new team structure.

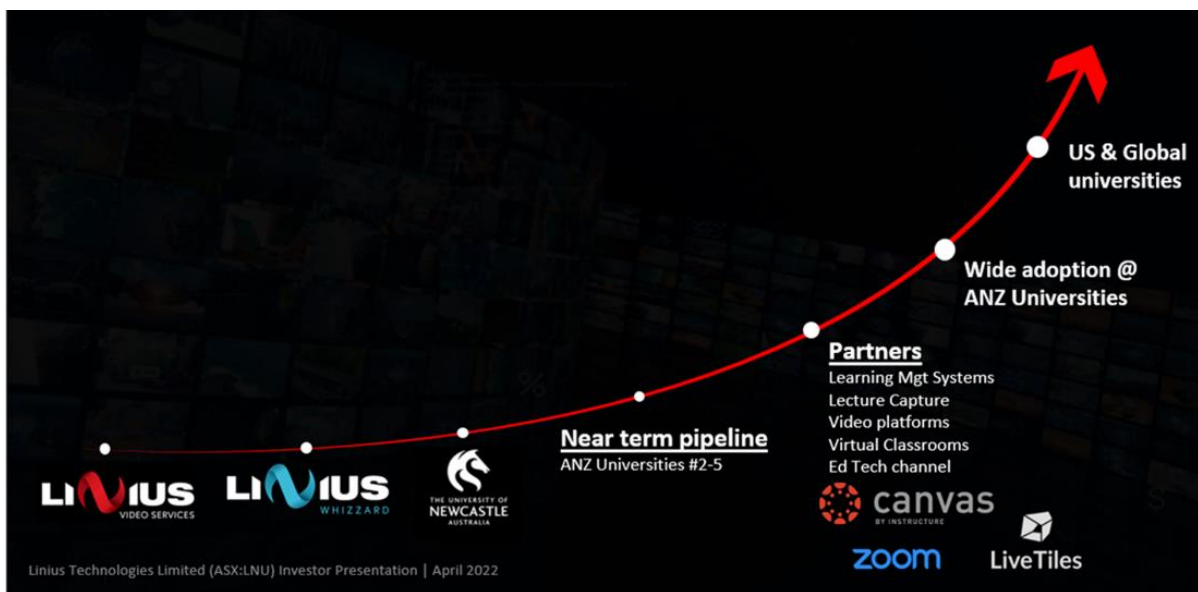


Figure 2: Education is earlier commercialisation curve

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Post quarter’s end, Linius completes equity raising

Subsequent to the end of the quarter, Linius obtained \$2 million in new equity commitments from professional and sophisticated investors, including \$350,000 from directors or their nominees subject to approval from shareholders.

The capital raising comprises the issue of 200 million new fully paid ordinary shares at an issue price of \$0.01 each, and is expected to settle on 6 May 2022.

The placement supports acceleration of customer acquisition in the Sport and Education sectors, delivery of key product enhancements and furthering the Company’s platform strategy. Proceeds from the placement will be used to accelerate growth following recent increases in deployment of existing Linius products, drive the delivery of new annual recurring revenue from existing customers and the new business pipeline, and funding the Company’s general working capital requirements.

New commercial models introduced that take Linius towards an inflection point

Linus has sharpened its plans to commercialise the Company’s patented technology, platform, and products. It is now focused on delivering additional commercial deals – on top of those recently announced - that deliver near-term cash flow, build annual recurring revenue and come with usage growth potential.

Current clients have seen significant increases in viewer engagement having deployed Linius personalisation products, with one reporting increases of 120%. This development is a clear positive for these clients, as increased viewer engagement can be monetized through advertising, sponsorship, subscription and user growth/retention. The attractive bottom line for these clients is that significant returns can flow to them from the introduction of Linius’ videos-on-the-fly product offering.

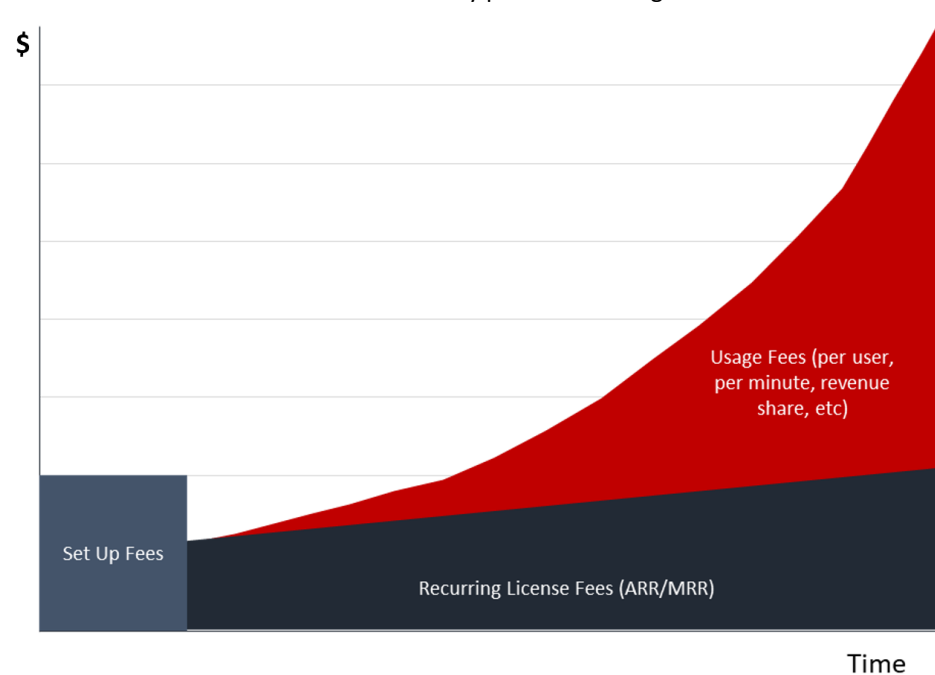


Figure 3: Revenues will be a mix of Recurring License Fees and Usage Fees

Providing a platform for today and the future

Throughout the reporting period, the Company clarified and narrowed its product portfolio to create replicable products and a defined roadmap of priorities for the next 12 months. Focused on product marketing, the go-to-market teams developed customer-oriented messaging and product value to support sales teams’ efforts. Under new CIO Clive Malcher, engineering processes and tools saw significant maturation over the quarter. Optimisations of the Company’s core technology architecture streamlined production cost structure, reduced development risk, and accelerated the pace of development life cycles.

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Summary of expenditure for the March 2022 quarter and related party payment

Details of the business activities of the Company for the March quarter are set out below. Expenditure was incurred in respect of:

- Research and development \$1,203,000: This encompassed continued development of the LVS SaaS platform productised solutions including Whizzard for education and enterprise markets, along with continued development for the sports markets.
- Operating costs \$189,000: 3rd party costs were incurred in operating the SaaS platform and delivering LVS solutions to existing clients.
- Staff and consultant costs including director fees \$854,000: This included staff costs associated with sales, marketing, sales engineering staff, product management, finance and management of the Company plus recruitment expenditure of \$84,000 during the quarter.
- Administration, travel and corporate costs \$114,000: Made up of ongoing corporate Company costs, including ASIC, ASX, share registry costs and costs related to sales activities.

In accordance with ASX Listing Rule 4.7C.3, payments to related parties and their associates outlined in the Company's Appendix 4C for the quarter relate to fees and salaries paid to directors.

Linus Chairman Gerard Bongiorno said: We are thrilled with continued ability to grow the client base of the Linus Sports Suite product offering. The recent announcements of new deployments through partner Swanbay have truly taken Linus to an inflection point of growth within our sports business. Another pleasing development is the increased usage rates being experienced by our existing clients, as the Linus offering bolsters their viewer engagement numbers. This trend backs up our expectation that once clients are onboarded, increased usage metrics will become apparent which will, in turn, flow through to higher annual recurring revenues for the Company.

The Board is very pleased with the progress and performance of the entire Linus team and our partners. We are confident that the business is in good hands and on the right track.

Linus CEO James Brennan said

Linus has made significant progress this quarter in executing towards our short-term goals of customer acquisition, user adoption, customer satisfaction, and increased recurring revenue. Our team is laser focused on these immediate objectives, aligned behind our longer-term platform strategy, and motivated by our new purpose. Everything we do now is driven primarily by the need for short term execution and driving annual recurring revenue. Our sports business is at a critical inflection point, where our success will rapidly accelerate and our education business is on the same curve, albeit a little earlier. I believe we have the right people, in the right roles, to execute our strategy and deliver on Linus' true potential.

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About Linus Technologies Limited:

Linus' purpose is to elevate the educational, information, and entertainment value of the world's video through hyper-personalization. We make it possible to connect and search vast libraries of video so users can create an infinite amount of personalized video compilations on-the-fly, providing the most relevant content to each viewer.

Our patented Video Virtualization Engine™ (VVE) turns big, bulky video files into lightweight, searchable data that is enriched with AI and ML, making it easy and efficient for users to find and share what matters to them. Creators and owners of video can drive greater viewing, and ultimately monetization of their video assets.

For more on Linus Technologies, visit www.linus.com

For further information, please contact: James Brennan, CEO, +61 (0)3 8672 7186 or ir@linus.com

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Linus Technologies Limited

ABN

84 149 796 332

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	55	201
1.2 Payments for		
(a) research and development	(1,203)	(3,146)
(b) operating costs	(189)	(609)
(c) advertising and marketing	(58)	(165)
(d) leased assets	-	-
(e) staff and consultant costs	(854)	(2,085)
- recruitment fees	(84)	(254)
(f) administration, travel and corporate costs	(114)	(231)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	267	267
1.8 Other (legal and patent costs)	(75)	(145)
1.9 Net cash from / (used in) operating activities	(2,255)	(6,167)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	-	-
(j) investments	-	-
(k) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(l) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(m) entities	-	-
	(n) businesses	-	-
	(o) property, plant and equipment	-	-
	(p) investments	-	-
	(q) intellectual property	-	-
	(r) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities* (excluding convertible debt securities)	1,987	5,812
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,987	5,812

*net of costs incurred

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,506	1,593
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,255)	(6,167)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,987	5,812
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,238	1,238

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,187	1,455
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	51	51
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,238	1,506

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

Director fees and CEO remuneration

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

157

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

-

-

-

-

7.5 **Unused financing facilities available at quarter end**

-

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

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8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(2,255)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,238
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,238
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.55

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Yes,

- On 29th April the Company received firm commitments to raise of \$2m, refer to the ASX release for more information.
- The Company continues to consider financing options available to it including issuing additional securities to current and new investors.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes – based on the above, the Company fully expects to be able to continue its operations and meet its business objectives.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2022

Authorised by: By the board

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